

## SECTION 2 PARTICIPATION

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### 2-1. General. [old 2-1]

#### 2-1.1. Transportation Services

Participation in the GSA Centralized Household Goods Traffic Management Program, Domestic and International, is open to any carrier, freight forwarder, holding authority (certificates, licenses, or permits, as appropriate) from the Interstate Commerce Commission (ICC), Federal Maritime Commission (FMC), and/or State regulatory authority.

#### 2-1.2. Broker Move Management Services

Participation in the GSA Centralized Household Goods Traffic Management Program, Domestic and International, is open to any broker holding a household goods brokers license from the US Department of Transportation or its predecessor (the Interstate Commerce Commission (ICC)), Federal Maritime Commission (FMC), and/or State regulatory authority.

#### 2-1.3. Direct Move Management Services

Participation in the GSA Centralized Household Goods Traffic Management Program, Domestic and International, is open to any carrier or freight forwarder that is currently approved to participate in the GSA Centralized Household Goods Traffic Management Program.

### 2-2. Application To Participate. [old 2-2]

#### 2-2.1. Application For Approval. [old 2-2.1]

##### 2-2.1.1.General. [old 2-2.1.1]

Except as specified in 2-2.1.3 and 2-2.1.4, below, and subject to the restrictions set out in 2-3, below, any firm desiring to participate in the program must request approval during the open approval window.

##### 2-2.1.2.Definitions. [old 2-2.1.2]

For the purposes of this section, the following definitions apply.

##### 2-2.1.2.1.Broker Move Management Services Provider.

A person licensed by the appropriate regulatory body (US Department of Transportation (successor to the Interstate Commerce Commission), Federal Maritime Commissions, State authority, or other authority of cognizant jurisdiction) to act as a household goods transportation broker.

##### 2-2.1.2.2.Direct Move Management Services Provider

A person currently approved in the GSA Centralized Household Goods Traffic Management Program to act as and provide direct move management services as specified in 2-2.1.2.5. below.

##### 2-2.1.2.3.Transportation Services

Transportation services include line haul transportation, carrier services, accessorial services, and storage-in-transit (SIT) of the personal effects and property of employees of civilian, non-Department of Defense, Departments and agencies of the United States Government when relocating pursuant to permanent change of station orders between or within the continental United States and offshore states, trust territories, or possessions of the U.S, or between or within the continental United States and foreign countries. (as specified in Section 12, Transit Times)

##### 2-2.1.2.4.Broker Move Management Services.

Broker Move Management Services include, but are not limited to, pursuant to Government bills of lading issued to the broker; arranging, coordinating, and monitoring an employee's household goods shipment; brokerage of transportation services; responsibility for carrier performance; performing service audits; performing employee counseling; providing customer assistance; monitoring the completion of the GSA form 3080, Household Goods Carrier Evaluation Report; performing claims preparation to include filing and settling; preparing and performing maintenance of the Government Bill of Lading; providing data communication

capabilities; providing independent staffing for the GSA program; monitoring storage-in-transit (SIT); providing specific Management reports and transportation services as outlined in the HTOS.

#### **2-2.1.2.5.Direct Move Management Services.**

Direct Move Management Services include, but are not limited to, pursuant to Government bills of lading issued to the direct Move Management Services Provider, arranging, coordinating, and monitoring an employee's household goods shipment; responsibility for carrier performance; performing service audits; performing employee counseling; providing customer assistance; monitoring the completion of the GSA form 3080, Household Goods Carrier Evaluation Report; performing claims preparation to include filing and settling; preparing and performing maintenance of the Government Bill of Lading; providing data communication capabilities; providing independent staffing for the GSA program; monitoring storage-in-transit (SIT); providing specific Management reports and transportation services as outlined in the HTOS.

#### **2-2.1.2.6.Carrier. [old 2-2.1.2.1]**

A person authorized by the appropriate regulatory body (US Department of Transportation (successor to the Interstate Commerce Commission), Federal Maritime Commissions, State authority, or other authority of cognizant jurisdiction) to engage in for-hire transportation of household goods and personal effects as defined in Section 1 of this TOS.

#### **2-2.1.2.7.Carrier Services. [old 2-2.1.2.2]**

For domestic and international household goods shipments, as appropriate, carrier services include, but are not limited to, providing origin agents for the performance of premove surveys, packing, the stuffing of containers and liftvans, line-haul transportation from origin to port of debarkation, providing debarkation port agent and broker services, providing ocean transportation, providing embarkation port agent and broker services, customs clearance, inland transportation to destination, and providing destination agents for the performance of storage-in-transit, delivery, unpacking, placement of property, and removal of debris, containers, and liftvans.

#### **2-2.1.2.8.Agent. [old 2-2.1.2.3]**

A person under contract to a carrier for the provision of accessorial and terminal services.

#### **2-2.1.2.9.Carriers as Agents of Broker (Broker Move Management Services Only)**

In that the broker shall be construed as a carrier, carrier participants in the program used by the broker shall be construed as agents of the broker participant.

#### **2-2.1.2.10.Agent Services. [old 2-2.1.2.4]**

For domestic and international household goods moves, as appropriate, agent services include, but are not limited to, providing premove surveys, packing, crating, stuffing containers and liftvans, local transportation within the origin or destination locality, storage-in-transit (SIT), delivery, unpacking, placement of property, and removal of debris, containers, and liftvans. An agent's provision of line-haul transportation services under the terms of the firm-agent contract and under the operating authority of the firm is not part of agent services.

#### **2-2.1.3.Move Management Services Providers and Carriers. [old 2-2.1.3]**

Any Move Management Services Provider or carrier, hereinafter referred to as a firm, except in those instances where an agent is clearly intended or otherwise indicated as "broker" or "carrier," desiring to participate in the program must apply for approval. Approval to participate in any domestic program is not qualifying for participation in any international program.

#### **2-2.1.4.Agents. [old 2-2.1.4]**

Based on the requirements of the shipping Federal agency, a firm desiring to provide agent services for a carrier may require that Federal agency's approval.

#### **2-2.1.5.Broker Performance as Participant.**

For the purposes of broker participation in the GSA Centralized Household Goods Traffic Management Program, the broker participant shall file rates, be subject to the Customer Satisfaction Rating system, and comply with the requirements for paying GSA the specified shipment surcharge just as any carrier participating in the program.

#### **2-2.1.6.Direct Move Management Services Provider as Participant.**

For the purposes of Direct Move Management Services participation in the GSA Centralized Household Goods Traffic Management Program, the Direct Move Management Services Provider shall file rates, be subject to the Customer Satisfaction Rating system, and comply with the requirements for paying GSA the specified shipment surcharge just as any carrier participating in the program.

**2-2.1.7. Instructions For Application Submission And Evaluation. [old 2-2.1.4.1]**

Each Federal agency requiring agent approval is responsible for the establishment of approval application submission requirements, approval standards, and approval processing and issuance.

**2-2.2. Requests To Participate. [old 2-2.2]**

Requests to participate must be sent to:

General Services Administration

Federal Supply Service Bureau

Traffic & Travel Services (6FBX)

1500 East Bannister Road

Kansas City, MO 64131-3088

(hereafter referred to as Program Management Office or PMO)

**2-3. Restriction On Application For Approval. [old 2-3]**

**2-3.1. Previous CHAMP Participants. [old 2-3.1]**

Applications for approval from previous participants in CHAMP, whether terminated by GSA or voluntarily withdrawn, are subject to the following restrictions.

**2-3.1.1. Terminated Firm. [old 2-3.1.1]**

Subject to the provisions of 2-4, below, a firm terminated by GSA may reapply in the approval cycle after the first anniversary of the firm's termination from the program.

**2-3.1.2. Withdrawn Firm. [old 2-3.1.2]**

Subject to the provisions of 2-4, below, a firm that has voluntarily withdrawn from the program may reapply in the next approval cycle following the firm's withdrawal from the program.

**2-3.1.3. Broker Move Management Services**

Applications for approval to provide Broker Move Management Services is limited to applicants holding a Household Goods Brokers license. Broker participants may only offer to furnish Move Management Services as described in (Definition of Broker Move Management Services).

**2-3.1.4. Direct Move Management Services**

Applications for approval to provide Direct Move Management Services is limited to currently approved household goods carriers in CHAMP.

**2-4. Application. [old 2-4]**

**2-4.1. General. [old 2-4.1]**

When submitting an application for approval, a firm must submit an application in its own name for approval as a participant. A firm that on its own behalf or on behalf of an agent (a) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (b) makes any false, fictitious or fraudulent statements or representations; or (c) makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry on any part of the application or on any document furnished pursuant to this TOS is punishable by fines, imprisonment, or both (U.S. Code, Title 18, Section 1001). In order to be considered for approval, the following requirements must be met by either the firm or the designated agent, as specified.

**2-4.2. Agreement To Abide By The TOS. [old 2-4.2]**

**2-4.2.1. Firm. [old 2-4.2.1]**

The applicant must agree to abide by the terms and conditions of the CHAMP TOS. If applicant is applying for both Domestic & International Programs, only one Agreement To Abide By The TOS must be completed and signed.

#### **2-4.2.2.Agent. [old 2-4.2.2]**

The applicant firm must certify that each agent it will use has agreed to abide by the terms and conditions of the CHAMP TOS, which in the case of a broker applicant includes “carrier” in the meaning of “agent.”

#### **2-4.3. Operating Authority. [old 2-4.3]**

##### **2-4.3.1.Firm. [old 2-4.3.1]**

The applicant firm must hold all necessary operating authorities, permits, and business licenses issued in its name, from appropriate regulatory bodies, for the transportation of personal property and will provide copies of each authority, permit, or business license to the PMO upon demand, or that it is exempt from such regulatory certification by operation of law or order of an appropriate regulatory body and, in addition to tariff and legal requirements, agrees to the provisions of this TOS. The firm must also meet any applicable ownership requirement established by law for the type of carriage of goods in which it engages.

##### **2-4.3.2.Agent. [old 2-4.3.2]**

###### **2-4.3.2.1.Business Licenses. [old 2-4.3.2.1]**

The applicant firm must certify that each agent it will use holds all necessary operating authorities, permits, business licenses, issued in its name, from appropriate regulatory bodies, for the provision of agent services as defined in this section and will provide copies of each authority, permit, or business license, to the PMO upon demand, or that it is exempt from such regulatory certification by operation of law or order of an appropriate regulatory body and, in addition to tariff and legal requirements, agrees to the provisions of this TOS. The agent must also meet any applicable ownership requirement established by law for the type of services in which it engages.

###### **2-4.3.2.2.Agent (Broker Move Management Services Only)**

The applicant broker must certify that it will use only those household goods carriers approved to participate in GSA’s Centralized Household Goods Traffic Management Program. All shipments handled shall be in accordance with the specified carrier’s approved scope of operation in CHAMP.

###### **2-4.3.2.3.Broker-Carrier Agreement. [old 2-4.3.2.2]**

The applicant broker must certify that each carrier it will use to provide carrier services is at the time of application or will be at the time of use party to a valid written agreement between itself and the applicant broker. The agreement must, at a minimum, contain the language set out in Section 8 [old 8.5.26.6, Agency Agreements], set out the terms and conditions of the carrier’s representation of the broker, the services to be provided, the terms and method of payment for services rendered, the quality control standards expected by the firm and the method of quality measurement, and the terms under which the agreement may be terminated.

###### **2-4.3.2.4.Carrier-Agent Agreement.**

The applicant carrier must certify that each agent it will use to provide agent services is at the time of application or will be at the time of use party to a valid written agency agreement between itself and the applicant carrier. The agreement must, at a minimum, contain the language set out in Section 8 [old 8.5.26.6, Agency Agreements], set out the terms and conditions of the agent’s representation of the carrier, the services to be provided, the terms and method of payment for services rendered, the quality control standards expected by the firm and the method of quality measurement, and the terms under which the agreement may be terminated.

#### **2-4.4. SCAC (Standard Carrier Alpha Code) Designation. [old 2-4.4]**

An applicant firm must have a valid SCAC as issued by the National Motor Freight Association, Washington, DC. An applicant’s request will not be processed without the SCAC.

#### **2-4.5. Trading Partner Agreement (Applicant Firm Only)]**

The applicant firm must complete and sign the Trading Partner Agreement and send it back in hard copy with all other required documentation. If applying for both the Domestic and International Programs, you need only to complete one TPA. An applicant’s request will not be processed without the Trading Partner Agreement.

#### **2-4.6. Trading Partner Agreement (Direct Move Management Services Only)**

The applicant carrier or freight forwarder must complete and sign the Trading Partner Agreement and send it back in hard copy with all other required documentation. The TPA currently on file with GSA for transportation

services will not be accepted for Direct Move Management Services. An applicant's request will not be processed without the Trading Partner Agreement.

**2-4.7. Cargo Insurance. (Carrier Only). [old 2-4.5]**

The applicant shall maintain cargo liability insurance during the term of this agreement at a minimum, in the amount of \$65,000 for any one shipment per vehicle and \$150,000 for any one disaster causing loss or damage to the contents of two or more shipments per vehicle or property otherwise located. The insurance policy must not contain any provision excluding liability for loss and/or damage for which the firm is responsible under the terms of this TOS.

**2-4.8. Provision Of Bond. (Carrier Only). [old 2-4.6]**

In the event the applicant carrier is applying for approval to handle international shipments, the carrier shall maintain a performance bond during the term of this agreement (to be renewed on the approval anniversary of each following year) during the term of this agreement at a minimum in the amount of \$75,000 or 2.5%, whichever is greater, of the firm's (principal) gross annual revenue derived from CHAMP ITGBL shipments the preceding calendar year executed by a surety appearing on the list contained in the Department of Treasury Circular 570, "Surety Companies Acceptable on Federal Bonds."

**2-4.9. Provision Of Bond. (Broker Move Management Services Only).**

The applicant shall maintain a performance bond during the term of this agreement (to be renewed on the approval anniversary of each following year) during the term of this agreement at a minimum in the amount of \$20,000 or as otherwise specified herein, for each program applied for, executed by a surety appearing on the list contained in the Department of Treasury Circular 570, "Surety Companies Acceptable on Federal Bonds."

**2-4.10. Experience. [old 2-4.7]**

**2-4.10.1.Firm. [old 2-4.7.1]**

The applicant shall have and maintain operations consistent with standard industry practices and this TOS such that an acceptable level of service has been and will continue to be provided.

**2-4.10.2.Agent.**

**2-4.10.2.1.Broker**

The applicant broker must certify that each carrier it will use has and maintains operations consistent with standard industry practices and this TOS such that an acceptable level of service has been and will continue to be provided.

**2-4.10.2.2.Carrier**

The applicant carrier must certify that each agent it will use has and maintains operations consistent with standard industry practices and this TOS such that an acceptable level of service has been and will continue to be provided.

**2-4.11. Quality Control Program. [old 2-4.8]**

**2-4.11.1.Firm. [old 2-4.8.1]**

The applicant must have a published corporate quality control system which will provide total visibility of all facets of the CHAMP and ensures that the service provided is equal to or greater than the standards of service established by this TOS.

**2-4.11.2.Agent. [old 2-4.8.2]**

**2-4.11.2.1.Broker**

The applicant broker must certify that each carrier it will use has a published corporate quality control system which will provide total visibility of all facets of the CHAMP and ensures that the service provided is equal to or greater than the standards of service established by this TOS.

**2-4.11.2.2.Carrier/Direct Move Management Services Provider.**

The applicant carrier must certify that each agent it will use has a published corporate quality control system which will provide total visibility of all facets of the CHAMP, and ensure that the service provided is equal to or greater than the standards of service established by this TOS.

## **2-4.12. Financial Responsibility. [old 2-4.9]**

### **2-4.12.1.Firm. [old 2-4.9.1]**

The applicant must demonstrate its financial responsibility, working capital, and other financial, technical, and management resources to perform.

### **2-4.13. Agent Facilities. [old 2-4.10] (International Only)**

In the event the applicant carrier is applying for approval to handle international shipments, its agents must have the following: (a) 2,000 cubic feet of storage space available for the use of the applicant carrier (b) two vehicles, one of which must be a weather tight van of at least 1,000 cubic feet capacity and one open bed vehicle with a minimum length of 16 feet each; and (c) one mobile lifting device with a minimum lifting capacity of 4,000 pounds.

### **2-4.14. Previously Approved Firms. [old 2-4.11]**

Firms, whether terminated by GSA or voluntarily withdrawn, reapplying for approval must have the support of former federal civilian, non-DOD, customers.

## **2-5. Submission Requirements. [old 2-5]**

### **2-5.1. General. [old 2-5.1]**

The request for approval is subject to the requirements set forth below. Unless otherwise provided, the term applicant shall mean the applicant broker or the applicant carrier.

### **2-5.2. Waiver Of Submission Requirements. [old 2-5.2]**

In the event an applicant has been formally registered as compliant with the International Organization for Standardization Standard 9000 or one of the standards within the 9000 series (referred to hereafter as ISO 9000) by an internationally recognized ISO 9000 registrar, GSA reserves the right to waive any or all approval requirements pertaining to quality standards.

### **2-5.3. ISO 9000 Registration. [old 2-5.3.1]**

A certified true copy of the certificate of conformity.

### **2-5.4. TOS Certification. [old 2-5.3.2]**

An original signed copy of the TOS Certification Sheet (included in Section 15 of this TOS), entitled Request to Participate and Agreement to Abide by the Terms and Conditions of the General Service Administration's Centralized Household Goods Traffic Management Program.

### **2-5.5. SCAC Designation. [old 2-5.3.3]**

The applicant must submit a copy of the letter from the National Motor Freight Association, Washington, DC, assigning that firm a SCAC.

### **2-5.6. Brokers License (Brokers Move Management Services Only)**

The applicant Provider must submit a valid copy of their firm's Household Goods Broker's License.

### **2-5.7. Applicant Information. [old 2-5.3.4]**

Information concerning the applicant, such as name, postal address, electronic mail address, telephone and facsimile numbers, corporate office, operating authorities, and other carriers or brokers with which the applicant does business. The applicant will indicate whether or not it is under the financial or administrative control of any other household effects broker, carrier, or forwarder, and state the name of the broker, carrier, or forwarder controlling the applicant. The applicant will provide a list of household effects brokers, carriers, and/or forwarder(s) which are under its common financial or administrative control.

### **2-5.8. Business Statistics. (Transportation Services Only) [Old 2.5.3.5.]**

Information concerning the applicant's household goods transportation business, including, but not limited to shipments booked, shipments serviced, and claims.

### **2-5.9. Scope Of Operation. [old 2-5.3.6] (Transportation Services Only)**

Information concerning the applicant's proposed and actual scopes of operation. For its actual scope of operation, the applicant will also provide the average percentage of shipments handled between each serviced service-area pair during the past five years.

**2-5.10. Financial Information. [old 2-5.3.7]**

The applicant must submit such financial information as is required by the instructions. If requested by GSA during the conduct of the initial financial review, the applicant must provide any additional or supplemental financial information. If considered necessary to assure satisfactory performance and avoidance of firm/forwarder financial problems, GSA reserves the right to request any of the following, individually or in combination: (1) Company certified financial statements; (2) CPA review (including footnotes) of financial statements; and (3) CPA audit and opinion (including footnotes) of financial statements.

**2-5.11. Additional Information. [old 2-5.3.8]**

Except as otherwise provided in the TOS, GSA reserves the right to request additional or supplemental information when that contained in the application is insufficient for a proper evaluation. Unless requested by GSA, additional or supplemental information will not be accepted.

**2-5.12. Firm Processes And Process Controls. (Transportation Services Only). [old 2-5.4.1]**

A questionnaire dealing with various aspects of the applicant's processes and process controls, such as booking and registration, tracing, claims adjudication, SIT warehouse selection, and quality control.

**2-5.13. Quality Control Program. [old 2-5.4.2] (Broker & Direct MMSOnly, see B3-6.8.)**

**2-5.13.1.General. [old 2-5.4.2.1]**

The applicant will furnish information regarding its published internal quality control program covering the functions of traffic management (routing, tracing, and billing), packing/packaging/containerization, employee training, supervision, and, if appropriate, agent supervision and include quality goals and objectives with measurable performance standards, measurement techniques, and actions based on those standards.

**2-5.13.2.Broker-Carrier Interface. [old 2-5.4.2.2]**

The applicant broker will furnish information on how its quality control program is applied to its carriers and how it is monitored. In addition, the applicant will describe how its program relates to and reinforces the quality control program of its carriers.

**2-5.13.3.Carrier-Agent Interface. (Broker MMS/International Only) [old 2-5.4.2.2]**

The applicant will furnish information on how its quality control program is applied to its agents and how it is monitored. In addition, the applicant will describe how its program relates to and reinforces the quality control program of its agents.

**2-5.14. Corporate Account Trends. [old 2-5.4.3]**

The applicant will provide information concerning its corporate account activity during the preceding five calendar years.

**2-5.15. TOS Questionnaire. (Transportation Services Only). [old 2-5.4.4]**

A questionnaire designed to familiarize the applicant with the requirements of the TOS. GSA reserves the right to require that the TOS Questionnaire be recompleted when the applicant has failed to complete a substantial number of the questions correctly.

**2-5.16. Certificate Of Insurance. (Carrier Only). [old 2-5.4.5]**

An original written statement from the insurance company indicating that it will provide the PMO at the request of the applicant and no later than January 20 of the year following the submission of the application to participate the required cargo liability coverage. The submission of one insurance certificate stating cargo liability coverage in the amounts specified in 2-4.7. shall be accepted for both transportation and move management services (broker and direct).

**2-5.17. Performance Bond. [old 2-5.4.6]**

An original written statement from the surety company indicating that it will provide using the format set out in the approval package and at the request of the applicant the required performance bond to the PMO no later than the due date for the filing of rates in the Filing Cycle in which the applicant first files rates. In the event the performance bond is not submitted as specified or does not meet the requirements for the performance bond, the applicant's rate filing will be handled in accordance with the Request for Offers provisions regarding non-rate related deficiencies.

**2-5.18. Federal Support. [old 2-5.4.7] (International Only)**

In the event the application is from a firm covered by 2-4.14, above, the approval application must be supported by statements from all federal agencies that had previously used that firm for household goods transportation services. The statements of support must be in the form and format specified by GSA.

**2-6. Evaluation. [old 2-6]**

The request for approval will be evaluated in accordance with the criteria set forth below. As used in the following, the term "applicant" shall include both the firm and its sponsored agents, unless otherwise provided.

**2-6.1. ISO 9000 Registration. [old 2-6.1.1]**

Each submitted certification will be reviewed to determine its legitimacy and applicability, and that the required periodic audits have been performed.

**2-6.2. TOS Certification. [old 2-6.1.2]**

The certification will be reviewed to determine that the applicant has agreed to abide by the Terms and Conditions of the General Services Administration's Centralized Household Goods Traffic Management Program.

**2-6.3. SCAC Designation. [old 2-6.1.3]**

GSA will verify that the National Motor Freight Association, Washington, DC, has issued the SCAC.

**2-6.4. Brokers License (Broker Move Management Services Only)**

GSA will verify that the applicant Provider's Broker's license is valid.

**2-6.5. Business Statistics, Scope Of Operations, Applicant Operations And Processes And Facilities. (Transportation Services Only) [old 2-6.1.4]**

GSA will evaluate the applicant's responses in terms of whether the applicant has demonstrated actual and potential ability to perform in accordance with the TOS, performance consistent with that of applicant's already participating in the program, and performance that will meet the levels of quality expected of approved participants.

**2-6.6. Financial Information. [old 2-6.1.5]**

GSA will evaluate this information to determine whether the applicant has sufficient financial capacity to provide service.

**2-6.7. Firm Processes And Process Controls. (Transportation Services Only) [old 2-6.2.1]**

GSA will evaluate the applicant's responses in terms of whether the applicant has demonstrated actual potential ability to perform in accordance with TOS, performance consistent with that of firms or agents, as appropriate, already participating in the program, and performance that will meet the levels of quality expected of approved program participants.

**2-6.8. Quality Control Program. (Broker/Direct Move Management Services) [old 2-6.2.2]**

GSA will determine whether the applicant's internal quality control program has been formally published, contains quality goals and objectives with measurable performance standards, measurement techniques, and actions based on those standards, and is sufficient to ensure that the applicant's operations, employees, and agents, if appropriate, are familiar with and will be held accountable for the achievement of the program's goals and objectives. GSA will also determine that the interface of quality control programs between the applicant firm and each of its designated agents is such that the quality goals and objectives and the performance standards are relatively consistent and will result in a unified approach to the quality of service delivery.

**2-6.9. Corporate Account Trends. [old 2-6.2.3]**

GSA will determine how well the applicant has managed and handled its corporate account businesses.

**2-6.10. TOS Questionnaire. (Transportation Services Only). [old 2-6.2.4]**

GSA will evaluate the responses to the questionnaire in terms of whether the applicant has an understanding of the TOS sufficient to performance that will meet the levels of quality expected of approved program participants.



**2-6.11. Certificate Of Insurance (Carrier Only). [old 2-6.2.5]**

Upon receipt of the certificate of cargo liability insurance from the insurance company, GSA will verify that primary underwriter of the cargo insurance policy is licensed by the appropriate regulatory authority. The insurance must also provide for notice of termination or cancellation be provided thirty (30) days prior thereto to the PMO. (SATISFACTORY/UNSATISFACTORY).

**2-6.12. Performance Bond. [old 2-6.2.6] (International & Broker MMS Only)**

Upon receipt of the performance bond from the surety, GSA will verify that the surety company executing the bond appears on the list contained in the Department of Treasury Circular 570, "Surety Companies Acceptable on Federal Bonds," and that the sum of the bond is correct. (Acceptable/Unacceptable).

**2-6.13. Federal Support. [old 2-6.2.7] (International Only)**

In the event the application is from a firm covered by 2-3.1, above, GSA will evaluate the federal support for the applicant to determine whether the applicant's recommencement of operations or its initiation of operations is supported by at least 75% of its former federal, non-DOD customers.

**2-7. Approval. [old 2-7]**

A firm will be approved when the evaluation results in a determination that the applicant possesses sufficient qualifications, experience, facilities, quality control processes, and financial capacity.

**2-8. Approval Limitation. [old 2-8]**

**2-8.1. General. [old 2-8.1]**

The approval of a firm shall include a limitation on the scope of that firm's operations within the program. The limitation shall be determined in accordance with the following criteria.

**2-8.2. New Participants.[old 2-8.2]**

**2-8.2.1.Transportation Services**

Except as provided in Paragraphs 2.8.3 and 2.8.4 below, new firms are those applicants approved as participants during a specific approval window. The designation "new" shall apply until October of the calendar year following the year in which approval was granted (for example, an applicant approved in 1995 shall be considered a new firm until October, 1996). GSA will limit the new participant's scope of operation to that consistent with the applicant's experience, resources, quality control processes, and financial responsibility.

**2-8.2.2.Broker Move Management**

Except as provided in Paragraphs 2.8.3 and 2.8.4 below, new firms are those applicants approved as participants during a specific approval window. The designation "new" shall apply until October of the calendar year following the year in which approval was granted (for example, an applicant approved in 1995 shall be considered a new firm until October, 1996). The Broker Move Management Services Provider's scope of operation will be the complete coverage of the program applied for (Domestic/International) and approved to provide service in.

**2-8.2.3.Direct Move Management**

The Direct Move Management Services Provider's scope of operation will be identical to that of the scope of operations currently in place in the GSA Centralized Household Goods Traffic Management Program, Domestic and/or International.

**2-8.3. Applicants Whose Approval Has Been Terminated. [old 2-8.3]**

For those applicants whose approval as a firm has been terminated by GSA and have subsequently reapplied as a firm, the applicant's scope of operation will not exceed that previously approved, unless GSA determines that a lesser scope is consistent with the applicant's experience, resources, quality control processes, financial responsibility, and prior performance in the program.

**2-8.4. Applicants Which Have Voluntarily Withdrawn. [old 2-8.4]**

For those firm applicants which have voluntarily withdrawn from the program and reapplied as firms, the applicant's scope of operation will not exceed that previously approved, unless GSA determines that a lesser scope is consistent with the applicant's experience, resources, quality control processes, financial responsibility, and prior performance in the program.

## **2-8.5. Scope Of Operation Adjustments. [old 2-8.5]**

For other than new firm participants, the approved scope of operation will be adjusted based on customer satisfaction with the firm's performance within its assigned scope of operation as indicated by the Customer Satisfaction Index effective on October 1 of the year of adjustment. The adjustment shall be calculated in accordance with the following.

### **2-8.5.1.Adjustments (Broker Move Management Services Only)**

Broker Move Management Service Provider's scope of operation is the complete coverage of the program applied for (Domestic/International). In the event that the participant is both a Broker Move Management Services Provider and a transportation services provider (or direct move management services provider) in CHAMP, separate customer satisfaction indexes will be calculated. Any additions or reductions made under the provisions set forth in 2-8.5.3 and 2-8.5.6. will affect each scope of operations separately. At no time can a customer satisfaction index calculated for one specific service be used to affect the scope of operations of another service.

### **2-8.5.2.Adjustments (Direct Move Management Services Only)**

Due to the fact that a Direct Move Management Service Provider's scope of operation is limited to that of their transportation scope of operations, one customer satisfaction index will be calculated using the GSA Form 3080 ratings from both services. Any additions or reductions made under the provisions set forth in 2-8.5.3 and 2-8.5.6 will affect both the move management and transportation scopes of operation.

### **2-8.5.3.Adjustment When The Customer Satisfaction Index (CSI) Is Greater Than 105. [old 2-8.5.1]**

A CSI greater than 105.00 indicates better than average customer satisfaction. A firm with a CSI greater than 105.00 may increase its scope of operation by an amount equal to the difference between its CSI and 100.00. For example, a CSI of 109.83 would permit a 9.83% increase in the number of service area pairs (SAP) in the approved scope of operation, as demonstrated by the following computations:

Program Average = 100.00

CSI = 109.83

# of SAPs approved = 3

Step 1:  $109.83 - 100.00 = 9.83$  (move the decimal two places to the left of the decimal position - example: change 109.83 to .0983)

Step 2:  $3 \times .0983 = .29$  or an increase of 1 SAP

Note: Round all percentages relating to the number of SAP's to the next greater whole number - For example, .29 to 1.

### **2-8.5.4.Adjustment When The Customer Satisfaction Index (CSI) Is Greater Than 105. (Broker Move Management Services Only)**

A Broker Move Management Services Provider's scope of operation may not be increased above that of which is possible in the applicable program. Transfers of scope from one type of service to another is not allowed. Increases in scope of operations as referenced in 2-8.5.3 may not be authorized unless a prior reduction to scope of operation has been made.

### **2-8.5.5.Adjustment When The Customer Satisfaction Index(CSI) Is Between 95 And 105. [old 2-8.5.2]**

A CSI between 95.00 and 105.00 indicates average customer satisfaction. A firm with a CSI between 95.00 and 105.00 may not change its scope of operation.

### **2-8.5.6.Adjustment When The Customer Satisfaction Index(CSI) Is Less Than 95. [old 2-8.5.3]**

A firm with a CSI less than 95.00 must decrease its scope of operation by an amount equal to the difference between its CSI and 100.00.

### **2-8.5.7.Reduction Of A Multi-Service Area Pair Scope (Old 2-8.5.3.1.)**

When a firm has a multi-service area scope, the firm will be required to reduce its scope of operation by an amount equal to the difference between its CSI and 100.00. For example, a CSI of 88.23 would require an 11.77% decrease in the number of service area pairs (SAP) in the approved scope of operation, as demonstrated by the following computations:

Program Average = 100.00

CSI = 88.23

# of SAPs approved = 115

Step 1:  $100.0 - 88.23 = 11.77\%$  (move decimal two places to the left for calculation purposes in step 2).

Step 2:  $115 \times .1177 = 13.54$  or decrease of 14 SAP's.

Note: Round all percentages relating to the number of SAP's to the next greater whole number - For example, round 13.54 to 14.

#### **2-8.5.7.1.Reduction Of A Single Service Area Pair Scope: [old 2-8.5.3.2]**

When a firm's CSI is less than 95.00 and the firm's scope of operation must be reduced as provided in 2-8.5.6, above, and when the resultant scope of operation would be zero (0) service area pairs or service areas, as the case may be, the scope will not be changed for the filing cycle during which the Customer Satisfaction Index will be effective, subject to the provisions of 2-8.5.9, Adjustment, when the firm is unindexed.

#### **2-8.5.8.Adjustment When There Is No CSI. [old 2-8.5.4]**

The lack of a CSI indicates that GSA has been unable to establish the quality of the firm's performance. An unindexed firm may not change its scope of operation.

#### **2-8.5.9.Adjustments Based On Factors Other Than The Customer Satisfaction Index. [old 2-8.5.5]**

For firms other than new that have filed rates since their approval, the approved scope of operation under the circumstances and in accordance with the provisions described below may be adjusted upon written request by the firm. Any approved adjustment will be effective as determined by GSA.

##### **2-8.5.9.1.Adjustment Based On An Increase In Operating Authority. [old 2-8.5.5.1]**

If subsequent to a firm's approval and the assignment of or any adjustment to a scope of operation, a firm's operating authority increases, no adjustment in the assigned scope of operation will be made unless the firm's current published Customer Satisfaction Index is greater than 105.00; provided, however, that GSA reserves the right to require the firm to submit current information in accordance with the requirements set out in 2-5 above, and to increase, decrease, or not change the firm's scope of operation based on the evaluation of that information.

##### **2-8.5.9.2.Adjustment Due To Mergers And Acquisition. [old 2-8.5.5.2]**

If subsequent to a firm's approval and the assignment of or any adjustment to a scope of operation, a firm's operating authority increases because of a merger and/or acquisition, no adjustment in the assigned scope of operation will be made unless the firm's current published Customer Satisfaction Index is greater than 105.00; provided, however, that GSA reserves the right to require the firm to submit current information in accordance with the requirements set out in 2-5 above, and to increase, decrease, or not change the firm's scope of operation based on the evaluation of that information.

##### **2-8.5.9.3.Adjustments Based On Reorganization Plans. [old 2-8.5.5.3]**

If subsequent to a firm's approval and the assignment of or any adjustment to a scope of operation, a firm's plan for reorganization is approved under the laws of the United States, GSA will require the submission of current information in accordance with the requirements set out in 2-5 above, and increase, decrease, or not change the firm's scope of operation based on the evaluation of that information.

##### **2-8.5.9.4.Adjustment Based On Financial Capacity. [old 2-8.5.5.4]**

Subsequent to a firm's approval and the assignment of or any adjustment to a scope of operation, GSA reserves the right to require a firm to submit current financial information and increase, decrease, or not change the firm's scope of operation based on the evaluation of that information.

##### **2-8.5.9.5.Adjustment Based On Redesignation Of Principal Operating Company. [old 2-8.5.5.5]**

Subsequent to a firm's approval and the assignment of or any adjustment to the scope of operation, the scope of operation will not be adjusted due to the redesignation of the principal operating company (POC) by the parent company.

#### **2-8.5.9.6.Adjustment Based On Firm Name Change. [old 2-8.5.5.6]**

An approved firm may change its name upon submission of a copy of its approval by the Interstate Commission (ICC) or appropriate regulatory authority to the PMO. Such documentation must clearly demonstrate a change of name as can be determined by the PMO. No adjustments in the assigned scope of operation will be made; provided, however, that GSA reserves the right to require the firm to submit current information in accordance with the requirements set out in 2-5 above, and to increase, decrease, or not change the firm's scope of operation based on the evaluation of that information.

#### **2-8.5.9.7.Adjustment When More Than One Of The Factors Cited In 2-8.5.9.1 Through 2-8.5.9.6 Applies. [old 2-8.5.5.7]**

When more than one of the factors cited in 2-8.5.9.1 through 2-8.5.9.6 applies (for example, an approved reorganization coupled with a name change), GSA reserves the right to determine the factor under the terms of which any adjustment action will be taken.

#### **2-8.5.10.Restricting Of Scope Of Operation. [old 2-8.5.6]**

##### **2-8.5.10.1.Restricting Under The Provisions Of 2-8.5.9.3. [old 2-8.5.6.1]**

Upon approval of a reorganization plan by the cognizant Bankruptcy Court of the United States, a firm is required to submit a plan for restructuring of its scope of operation and the information required in 2-5, above.

##### **2-8.5.10.2.Restricting Based On Changes In Traffic Patterns. [old 2-8.5.6.2] (Transportation Services & Direct MMS Only)**

Over a period of time and for various reason, a firm's predominant, long term traffic patterns may change. Such changes may result in the approved scope of operation no longer matching the traffic patterns of the firm. Accordingly and notwithstanding any of the provisions set out in 2.8.5, above, a firm may request in writing a restructuring of its scope of operation.

##### **2-8.5.10.2.1.Time Of Request. [old 2-8.5.6.2.1]**

No earlier than five (5) years after the year in which the firm was approved to participate in the program and in five (5) year increments thereafter, a firm may request a review of its scope of operations; for example, a firm approved in calendar year 1989 may request a review of its scope of operation in calendar year 1994 and thereafter in calendar years 1999, 2004, and so on). See Section 5 [old 5.1.5], Restructuring of Scope of Operations.

##### **2-8.5.10.2.2.Procedure. [old 2-8.5.6.2.2]**

When a firm has determined that it wants to exercise its rights to request a restructuring, the firm shall notify the PMO in writing of its intent to file a request for restructuring under the terms of this TOS. Upon receipt of such notice, the PMO shall transmit to the firm the instructions for the submission of its requests. The firm must then file the formal request in the anniversary year. Formal request, as opposed to the notice of intent to request, received by GSA prior to or after the anniversary year will be rejected.

##### **2-8.5.10.2.3.General Content Of Instructions. [old 2-8.5.6.2.3]**

Generally, the firm will be required to submit the information identified in 2-5 together with sufficient traffic flow statistics and such other information as may be needed to support a conclusion that a substantial, long term change in traffic patterns different from the approved scope of operation has occurred.

##### **2-8.5.10.2.4.Action On The Request. [old 2-8.5.6.2.4]**

GSA reserves the right to restructure, decrease, or not change the firm's scope of operation based on the evaluation of that information.

#### **2-8.5.10.3.Needs Of The Program. [old 2-8.5.6.3]**

GSA reserves the right to increase or restructure a firm's scope of operation without regard to the firm's Customer Satisfaction Index when the needs of the program require such increase or restructuring.

## **2-9. Rejection Of Application To Participate. [old 2-9]**

### **2-9.1. Timeliness. [old 2-9.1]**

An applicant's failure to file by the respective due dates will result in the rejection of its application.

**2-9.2. Reserved For Future Use. [old 2-9.2]**

This Subparagraph reserved for future use.

**2-9.3. Financial Responsibility. [old 2-9.3]**

An applicant not meeting the financial qualification standards will not be approved.

**2-9.4. Business And Operational Responsibility. [old 2-9.4]**

An applicant not meeting the business and operational responsibility standards such that a scope of operation cannot be established will not be approved.

**2-10. Continued Participation. [old 2-10]**

**2-10.1. General. [old 2-10.1]**

Once an applicant has been approved to participate, continued participation depends upon (1) the participant showing a willingness and ability to meet the transportation requirements of the United States Government and the TOS; and (2) the participant's maintenance of financial responsibility, working capital, and other financial, technical, quality control processes, and management resources to perform.

**2-10.2. Continuation Of ISO 9000 Certification. [old 2-10.2]**

In the event that a firm's approval is predicated in part on ISO 9000 certification and that certification lapses or is terminated by the certification registrar, the firm's approval will become conditional until it has completed all parts of the application that were waived because of the ISO 9000 certification; provided, however, that should the firm not meet the evaluation standards, approval will be terminated.

**2-10.3. Continuation Of Insurance. [old 2-10.3]**

If at any time the firm's cargo liability insurance lapses, the firm's participation in the program will be immediately terminated.

**2-10.4. Continuation Of Performance Bond. [old 2-10.4]**

If at any time the firm's performance bond is canceled and not replaced with an acceptable new bond, the firm's participation in the program will be immediately terminated.

**2-10.5. Assignment Of Rights. [old 2-10.5]**

Except for assignment of payment of the participant's original bills to a bank for collection and in the event that a participant exercises any right under a currently existing agreement nor enters into agreements with parties not subject to its control which in any way infringe, controvert, or otherwise subordinate or prevent the participant from deciding unilaterally whether it will or will not submit a claim or file suit against the Government or pay a claim by the Government after the original bill for services performed under this TOS, the participant's approval will be immediately terminated.

**2-10.6. Conditional Approval Based On A Customer Satisfaction Index Less Than 95.00 When A Single Service Area Scope of Operation is Involved-Firm. [old 2-10.6]**

Under the conditions specified in 2-8.5.7.1, above, the following applies.

**2-10.6.1.Change In Approval Status. [old 2-10.6.1]**

The firm's approval will be changed to conditional for the filing cycle during which the Customer Satisfaction Index will be effective.

**2-10.6.2.Revocation Of Approval. [old 2-10.6.2]**

In event the firm's Customer Satisfaction Index for the subsequent customer satisfaction rating period remains less than 95.00, the firm's approval will be terminated.

**2-10.6.3.Termination Of Conditional Approval. [old 2-10.6.3]**

If the firm's Customer Satisfaction Index for the subsequent customer satisfaction rating period is 95.00 or greater or the firm is unindexed for the subsequent customer satisfaction rating period, the conditional approval will be terminated.

**2-10.7. Submission Of False Information. [old 2-10.7]**

Willful submission of false information on any document furnished by the applicant or participant pursuant to this TOS is punishable by fines, imprisonment, or both (U.S. Code Title 18, Section 1001), and may be grounds

for terminating the participant's approval to participate in the program. Federal agencies are responsible for the final evaluation of firm performance and selection of firms which best serve their needs. In the event it is later discovered that the firm was in CFAC and did not declare that fact, the participant's approval will be terminated.

**2-10.8. Updating Approval Information. [old 2-10.8]**

Whenever an approved participant makes substantive changes in its organization or operation as described in its approval application, the participant must advise the PMO in writing of such changes.

**2-10.9. Bankruptcies. [old 2-10.9]**

**2-10.9.1.General. [old 2-10.9.1]**

A participant filing a petition for reorganization, or bankruptcy under the laws of the United States or a foreign country must notify the Program Management Office.

**2-10.9.2.Reorganization. [old 2-10.9.2]**

When a participant files a petition for reorganization under the laws of the United States or a foreign country, the participant's approval to participate in the program will be subject to review and redetermined in accordance with the provisions of 2-8.5.9.3 and 2-8.5.10.1, above.

**2-10.9.3.Bankruptcy. [old 2-10.9.3]**

When a participant files a petition for bankruptcy, the participant's approval to participate will be immediately terminated.

**2-10.9.4.Failure To Notify PMO. [old 2-10.9.4]**

In the event the participant fails to notify the PMO in accordance with 2-10.9.1 of its filing for reorganization and/or bankruptcy, its approval to participate in the Centralized Household Goods Program shall be terminated.

**2-10.9.5.Firm Withdrawal Of Approval. [old 2-10.10]**

**2-10.9.5.1.General. [old 2-10.10.1]**

A participant may terminate (withdraw) its participation in the program at any time. A participant terminating (withdrawing) its approval to participate in the Centralized Household Goods Traffic Management Program must notify the PMO in writing.

**2-10.9.5.2.Constructive Withdrawal. [old 2-10.10.2]**

If a participant is a principal operating company or is independently owned and operated, it will be construed as having withdrawn from participation in the program if it does not file rates in two consecutive years.